

Introduced by Senator Dunn

September 14, 2001

Senate Resolution No. 22—Relative to the California energy crisis.

1 WHEREAS, It is inherent, within the constitutional authority
2 and responsibilities of the California State Legislature, that the
3 Legislature and its committees ascertain facts as necessary to
4 ensure that they are fully informed concerning matters as to which
5 legislative action may be appropriate and, for that purpose, that
6 they issue, as needed, legislative subpoenas requiring a person or
7 entity to produce documents or testify, or both, on those matters;
8 and

9 WHEREAS, Persons and entities who do business in the State
10 of California, thus profiting from the many benefits of
11 participation in the California economy, thereby incur certain
12 responsibilities to support the California institutions and processes
13 that make those benefits possible, including, but not limited to,
14 cooperation with legislative subpoenas issued by the California
15 Legislature or its committees, which are critical to the proper
16 discharge of the Legislature's authority to enact the laws of the
17 state; and

18 WHEREAS, It is therefore appropriate that the State of
19 California disassociate itself from persons and entities who avail
20 themselves of the benefits of doing business in California but
21 refuse their responsibility to cooperate with the institutions and
22 processes that make those benefits possible; and

23 WHEREAS, For example, in order to identify legislative
24 remedies that are responsive to the current energy crisis, which has
25 triggered severe damage to the California economy and peril to the



1 public health and safety, the California State Senate authorized the
2 creation of the Senate Select Committee to Investigate Price
3 Manipulation of the Wholesale Energy Market, and the Select
4 Committee served legislative subpoenas on certain market
5 participants, which legislative subpoenas required that the market
6 participants provide documents regarding their transactions, and
7 business behavior and strategy, in the California energy market;
8 and

9 WHEREAS, Certain market participants failed to appear at the
10 designated hearing of the Select Committee, and failed to either
11 provide to the Select Committee the documents that are required
12 by the subpoenas or raise a proper claim of privilege in response
13 to the demand that they produce any such document, thus
14 contravening the efforts of the California State Senate to
15 investigate the current energy crisis and identify appropriate
16 legislative remedies to the adverse public effects of that crisis; and

17 WHEREAS, Certain state agencies of the State of California,
18 acting in the capacity of market participants, invest in the business
19 activities of private entities, including participants in the
20 wholesale energy market, and enter into joint ventures or other
21 business enterprises with those entities; now, therefore, be it

22 *Resolved by the Senate of the State of California*, That public
23 policy, and the interests of the public health and safety in
24 connection with the energy crisis continuing in this state, thus
25 require, and the California State Senate recommends, that each
26 agency or department of the State of California, including, but not
27 limited to, the Public Employees' Retirement System and the State
28 Teachers' Retirement System, immediately undertake to
29 determine whether that agency or department should (1) continue
30 to own any stocks, shares, or other financial investments in any
31 business entity participating in the wholesale energy market that
32 has refused to comply with the requirements of a legislative
33 subpoena issued by the Select Committee, and in any of the
34 subsidiaries or affiliates of that entity; or (2) continue to participate
35 in any joint venture, partnership, or similar business arrangement
36 in which it is currently involved and to which that business entity,
37 or any of its subsidiaries or affiliates, is a party; and be it further

38 Resolved, That the Secretary of the Senate immediately convey
39 copies of this resolution to appropriate representatives of the



- 1 Public Employees' Retirement System and the State Teachers'
- 2 Retirement System.

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